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ADM-2.2

23 JUN 1964

MEMORANDUM FOR: Office of Budget, Program Analysis and Manpower

SUBJECT: FY 65 Operating Budget

1. Attached hereto are the DD/S&T revised requests for FY 65 budgetary needs. I have reviewed these budgets with each of the Offices concerned and concur in the levels of funds and personnel that are requested. As the DD/S&T is in the process of building a new capability for the Agency, its needs are greater in FY 65 than in FY 64 and are, in fact, greater than we envisioned when the FY 65 Congressional Budget was prepared. The total increase which we are asking in the attachments is for about [redacted] over the FY 65 Congressional Budget. This represents a 50 per cent increase over presently scheduled levels and about a 75 per cent increase over FY 64 funding.

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2. Some appropriate general comments regarding these increases follow:

(a) Office of Research and Development - The largest increase we request is for the Office of Research and Development where an increase from [redacted] (FY 65 Congressional) to [redacted] is needed. ORD expects to recruit to its approved personnel strength of [redacted] during FY 65; [redacted] of the increase is needed for salaries, travel, and other management costs related to this scheduled build-up in professional manpower.

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25X1A1a
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25X1A1a

The remainder of the increase, [redacted] is needed for external contracts which will bring the ORD total for this work to [redacted]. Major increases in [redacted] account for the bulk of this increase.

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25X1X3
25X1X3

While the increase represented by the revised requirements may appear rather high, I believe that [redacted] is, in reality, small for a well-balanced program of advanced research and development in the Directorate of Science and Technology. The need for the Agency to keep abreast of

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of new developments in other areas of the government and in industry, and to set the pace for S&T applications in the intelligence field, requires a broad screening effort and well-directed follow-up. Present manpower and allotted funds do not allow OSD to perform this follow-up and inject innovative research specifically aimed at intelligence needs. Unless additional funds are provided, that Office will be restricted to general activities aimed at refinements of present developments, to the "quick-fix," and mere adaptations of existing equipments and techniques for Agency operations. The requested additional funds are needed for pioneering in intelligence similar to that done by the research elements of NASA and the Department of Defense for space and military purposes.

(b) The Office of ELINT has, for a number of years, been increasing its aptitude for advanced work on electronic signal collection, identification, and analysis. This

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25X1D6b [redacted]

The additional money and personnel requested for the Office of ELINT is for the purpose of capitalizing on this demonstrated ability to perform. The opportunities are, as in other fields of intelligence, probably short-lived and the maximum gain possible depends upon early operations and exploitation of the capability. The additional [redacted] 25X1A1a
25X1A1a and [redacted] personnel requested will provide long-overdue augmentation of manpower and money to follow through on technical accomplishments which have already brought much favorable credit to the Agency.

(c) Office of Scientific Intelligence - As a forerunner to the FY 65 budget preparation in 1963, OSI assessed its responsibilities and work programs to determine the optimum pattern for S&T intelligence production. It was decided that the arrangement which assured a maximum of quality production would be comprised of about equal amounts of effort within the Agency and for external analysis contracts.

25X1A1a The level of funding for external contracts was established at about [redacted] for FY 64 and [redacted] 25X1A1a
for FY 65. Obligational authority in FY 64 was reduced by 25X1A1a
Agency and Bureau of the Budget reviews by [redacted] and no supplemental funding was received from year-end monies.

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The additional funds now requested would bring the funding level back on the growth curve which was programmed for FY 64-FY 65 and permit OSI to conduct the amount of external analysis which we consider necessary for them to fulfill their missions.

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25X1X2
25X1X2

(4) Foreign Missile and Space Analysis Center - the growth of FMSAC to a level of [redacted] was approved by the USCI at the time of its establishment in November 1963. At that time, a funding level of approximately [redacted] was considered reasonable for FY 65. We will not be prepared to obligate more than about [redacted] during FY 65 but do consider it essential that we build to full strength in personnel. Recently acquired intelligence on the [redacted] which reflects major increases in construction and activity, provides strong justification for this decision.

25X1D6b

We are achieving considerable savings within FMSAC by building its computer support within the Office of Computer Services instead of using outside contractual arrangements--both trajectory and orbit determinations and [redacted] will be done in-house.

(5) Office of Computer Services - Our principal new efforts in OCS are aimed at developing a comprehensive, scientific computing capability within the Agency. I feel the need for this is well understood at the higher management levels of the Agency and in the Bureau of the Budget.

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Additional responsibilities transferred to OCS during FY 64 have increased the activities being performed by that Office and, as with these functions, we believe that additional, unforeseeable tasks will be assigned during FY 65. For example, we are investigating methods for supporting [redacted] in OCS. This new work will be both for data storage and retrieval and for scientific computations in support of DD/S&T Offices. The requests for personnel and funds submitted at this time appear reasonable, but I suggest that decisive action on them be postponed until completion of the management surveys which are now in progress.

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[redacted]

SUBJECT: FY 65 Operating Budget

(f) Office of Special Activities - The OSA budget has been discussed with your office a number of times and only recently increases in the staffing were authorized by the Executive Director. Nearly all of the increases requested herein are for the salaries and management costs of authorized increases in personnel and for equipment in the field which will be utilized by them or for their support. This total increase in funds is approximately [redacted] As you know, the OSA funding is heavily dependent upon [redacted] 25X1X4

25X1A1a

25X1X4 [redacted] As these subjects cannot receive adequate treatment in a memorandum of this nature and your review of the OSA budget will not occur for a few weeks, I will limit my remarks to the above.

(g) O/DD/S&T - We are requesting an additional [redacted] 25X1A1a for FY 65 above the Congressional Budget level. This will provide approximately [redacted] for salaries for the [redacted] position increase (provided from within DD/S&T) and [redacted] 25X1A1a for the System Analysis Staff to fund a number of small studies [redacted] in support of their analytical efforts. The SAS function was newly established in mid-1964 to provide for independent assessments of established and proposed complex engineering systems which, in many instances, involve two or more Offices of the DD/S&T. Approximately [redacted] was provided through internal DD/S&T reprogramming to fund SAS efforts in FY 64.

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The additional [redacted] positions in the Immediate Office are to augment the staff of [redacted] which, while considered sufficient to support the DD/S organization of three Offices and approximately [redacted] people, has been found to be seriously inadequate to meet the requirements resulting from the increased scope and activities of the seven Offices and approximately [redacted] people in the present DD/S&T organization.

1. With respect to personnel, the following tabulation shows comparative figures for DD/S&T personnel levels for the approved FY 65 Congressional Budget, current approved personnel levels, and the requested levels for FY 65.

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SUBJECT: FY 65 Operating Budget

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FY 65 Congressional Level	New FY 64 Level	FY 65 Revised Level
[redacted]		

The FY 65 revised personnel levels request the following increases:

Office of Special Activities:

The increase in OSA's personnel level reflects the additional manpower requirements outlined by Colonel Ledford to the Executive Director on 2 March 1964. On 12 March 1964, the Executive Director authorized an 25X1A1a increase for OSA to the current [redacted] level with the comment that the final portion of the requested increase 25X1A1a [redacted] would be considered in the final budgetary review for FY 65.

Foreign Missile and Space Analysis Center:

25X1A1a The increase reflects an earlier concomitant to 25X1A1a increase FMSAC from the FY 64 level of [redacted] to a level of [redacted] during FY 65. However, a realignment of ceiling 25X1A1a authorizations within the Directorate provided FMSAC 25X1A1a with an additional [redacted] positions. The requested FY 65 revised level, therefore, is [redacted]

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Office of Research and Development:

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It is requested that the increase of [redacted] now be shown on the record. This personnel level will return ORD to its original authorization to which the Executive Director agreed, dependent upon the development of forward-looking programs and the success of recruitment efforts.

Office of ELINT:

25X1A1a

The increase of [redacted] for OEL reflects changes in the staff structure of the Office to support new responsibilities in Systems and Development and for a preventive and offensive ELINT collection program.

Office of Computer Services:

25X1A1a

The increase of [redacted] for OCS should be regarded as a planning figure; a final judgment should await the completion of the current management survey. The increase, in most part, is requested to provide personnel to build up OCS's scientific computer capability.

4. In reviewing the above, it is requested that you give special attention to the status of this Directorate in terms of its objectives and state of growth. DD/S&T was established about one year ago as a successor to the DD/R in order to push the development of an S&T capability in the Agency beyond that which had been achieved by the DD/R. The requested increases reflect efforts to produce new items for intelligence collection and pursue these toward completion. We are not merely asking for more money to do more of the same nor to build horizontally onto our present staffs. We are attempting to develop a new, forward-looking, aggressive effort while consolidating the gains we have made to date. Simultaneously, we are shedding Office functions which we think can be performed by larger and older activities within the Agency or in the Department of Defense. To further this forward-looking posture and

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SUBJECT: FY 65 Operating Budget

to assure that our efforts remain in the forefront of the national intelligence collection and production effort, we will need the funds and personnel requested herein.

Signed: [redacted]

25X1A9a

for ALBERT D. WHEELON
Deputy Director
for
Science and Technology

Attachments:
A/S

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